

IRS HAS \$2.4 BILLION IN REFUNDS FOR INDIVIDUALS WHO FAILED TO FILE 1997 RETURNS

WASHINGTON -- Unclaimed refunds totaling more than \$2.4 billion are awaiting about 1.6 million people who failed to file a 1997 income tax return, the Internal Revenue Service announced today. However, in order to collect the money, a return must be filed with an IRS office no later than April 16, 2001.

"I strongly urge these individuals to take steps to claim this money," said IRS Commissioner Charles O. Rossotti. "Money that is not refunded within three years generally becomes the property of the U.S. Treasury," he said.

The IRS estimates that about half of those who could claim refunds would receive less than \$464. Some individuals had too little income to require filing a tax return, but may have had taxes withheld from their wages. Others may not have had any tax withheld, but would be eligible for the refundable Earned Income Tax Credit.

In cases where a return was not filed, the law provides most taxpayers with a three-year window of opportunity for claiming a refund. For 1997 returns, the window closes on April 15, 2001. However, because that day is a Sunday, taxpayers have until the next day to file their returns and claim their refunds. The law requires that these returns be properly addressed, postmarked, and mailed by that date (April 16, 2001). There is no penalty assessed by the IRS for filing a late return qualifying for a refund.

The IRS reminds taxpayers seeking a 1997 refund that their checks will be held if they have not filed tax returns for 1998 or 1999. In addition, the refund will be applied to any amounts still owed to the IRS and may be used to satisfy unpaid child support or past due federal debts such as student loans.

By failing to file a return, individuals stand to lose more than refunds of taxes withheld or paid during 1997. Many low-income workers may not have claimed the Earned Income Tax Credit (EITC). Although eligible taxpayers may get a refund when their EITC is more than their tax, those who file returns more than three years late would be able only to offset their tax. They would not be able to receive refunds if the credit exceeded their tax.

For 1997, individuals qualified for the EITC if they earned less than \$29,290 and had more than one qualifying child living with them; less than \$25,760 with one qualifying child or less than \$9,770 and had no qualifying child.

Current and prior year tax forms are available on the IRS Web site (www.irs.gov) or by calling 1-800-TAX-FORM (1-800-829-3676). Taxpayers who need help preparing prior year returns or gathering income records may call the IRS help line at 1-800-829-1040. To allow time for processing, forms and/or tax help should be requested by mid-March.

A state-by-state breakdown of tax year 1997 potential nonfilers and estimated refund amounts follows.

Tax Year 1997 Potential Nonfilers with Apparent Refunds

Location	Potential Nonfilers	Median Estimated Refund	Estimated Refunds (000s)
Alabama	25,800	\$468	\$21,272
Alaska	7,700	\$506	\$10,052
Arizona	31,600	\$409	\$89,547
Arkansas	14,300	\$444	\$12,213
California	169,300	\$418	\$178,707
Colorado	27,800	\$428	\$45,991
Connecticut	18,600	\$522	\$27,379
Delaware	5,400	\$452	\$5,711
Dist. of Columbia	7,000	\$449	\$11,252
Florida	104,000	\$472	\$152,671
Georgia	58,800	\$438	\$58,808
Hawaii	10,600	\$486	\$11,105
Idaho	5,900	\$403	\$10,101
Illinois	70,300	\$500	\$445,181
Indiana	33,000	\$498	\$32,656
Iowa	15,300	\$453	\$12,384
Kansas	17,600	\$454	\$18,441
Kentucky	17,200	\$458	\$16,522
Louisiana	26,200	\$478	\$27,502
Maine	5,200	\$429	\$4,951
Maryland	34,100	\$467	\$39,328
Massachusetts	35,700	\$501	\$71,552
Michigan	68,100	\$495	\$115,744
Minnesota	21,500	\$403	\$20,010
Mississippi	13,300	\$435	\$11,601
Missouri	32,000	\$453	\$28,918
Montana	4,000	\$426	\$4,065
Nebraska	7,800	\$437	\$6,871
Nevada	17,300	\$445	\$27,851
New Hampshire	5,700	\$528	\$7,310
New Jersey	52,900	\$504	\$73,336
New Mexico	9,800	\$427	\$9,809
New York	101,500	\$487	\$172,372
North Carolina	47,700	\$416	\$42,026
North Dakota	2,200	\$446	\$2,534
Ohio	50,600	\$455	\$54,386

Tax Year 1997 Potential Nonfilers with Apparent Refunds, continued

Oklahoma	21,800	\$444	\$25,253
Oregon	24,100	\$406	\$28,133
Pennsylvania	52,000	\$492	\$71,772
Puerto Rico	2,300	\$1,077	\$7,350
Rhode Island	5,100	\$462	\$7,958
South Carolina	18,900	\$421	\$17,527
South Dakota	2,600	\$447	\$2,438
Tennessee	25,000	\$479	\$37,460
Texas	123,600	\$493	\$145,806
Utah	9,900	\$409	\$12,823
Vermont	2,400	\$418	\$2,486
Virgin Islands	1,800	\$443	\$1,086
Virginia	46,200	\$449	\$61,777
Washington	42,500	\$497	\$59,974
West Virginia	4,700	\$500	\$4,877
Wisconsin	19,400	\$419	\$18,130
Wyoming	2,500	\$497	\$2,902
Armed Forces	4,600	\$511	\$2,912
US Possessions	3,900	\$490	\$2,319
Foreign/Other	4,100	\$901	\$21,685
Total	1,593,200	\$464	\$2,414,827